

HOUSE BILL NO. 433

INTRODUCED BY C. LAMBERT

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE UNIFORM INTEREST ASSESSMENT FOR A VIOLATION OF TAX PROVISIONS IS 1 PERCENT FOR EACH DESIGNATED PERIOD OR FRACTION OF A DESIGNATED PERIOD RATHER THAN FOR EACH MONTH OR FRACTION OF A MONTH; DEFINING "DESIGNATED PERIOD"; AMENDING SECTION 15-1-216, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-1-216, MCA, is amended to read:

"15-1-216. Uniform penalty and interest assessments for violation of tax provisions -- applicability -- exceptions. (1) (a) A person who fails to file a required tax return or other report with the department by the due date, including any extension of time, of the return or report must be assessed a late filing penalty of \$50 or the amount of the tax due, whichever is less.

(b) A person who purposely fails to file a required return, statement, or other report must be assessed an additional late filing penalty of \$200 or the amount of the tax due, whichever is less.

(c) A person who fails to pay a tax when due must be assessed a late payment penalty of 1.5% a month or fraction of a month on the unpaid tax. The penalty may not exceed 18% of the tax due.

(d) A person who purposely fails to pay a tax when due must be assessed an additional penalty equal to 25% of the tax due or \$200, whichever is less, plus interest as provided in subsection (2).

(2) Interest on taxes not paid when due must be assessed at the rate of 12% a year, accrued at 1% a month for each designated period or fraction of a month designated period, on the unpaid tax. Interest on delinquent taxes and on deficiency assessments is computed from the original due date of the return until the tax is paid.

(3) (a) Except as provided in subsection (3)(b), this section applies to taxes, fees, and other assessments imposed under Titles 15 and 16.

(b) This section does not apply to:

(i) property taxes;

(ii) gasoline and vehicle fuel taxes collected by the department of transportation pursuant to Title 15,

1 chapter 70; or

2 (iii) taxes, fees, and other assessments subject to other penalty or interest charges as provided by law.

3 (4) As used in this section, "designated period" means the period that ends, within each subsequent
4 month, on the day of the month that the tax was originally due. If the date on which the tax was originally due
5 is on the last day of a month, then the designated period is a calendar month."

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7 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2005.

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